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Programme budget for the biennium 2010-2011

Second performance report on the programme budget for the biennium 2010-2011

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the Secretary-General's second performance report on the programme budget of the United Nations for the biennium 2010-2011 (A/66/578). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification.

I. Second performance report on the programme budget for the biennium 2010-2011

2. The anticipated final level of expenditures and income for the biennium 2010-2011 is based on actual expenditures for the first 21 months of the biennium, projected requirements for the last 3 months, changes in inflation and exchange rates and cost-of-living adjustments as compared with the assumptions made in the first performance report (A/65/589).

3. The Advisory Committee notes that the anticipated final level of expenditures and income for the biennium represents a net increase of $40.9 million compared with the revised appropriation and estimate of income approved by the General Assembly in its resolutions 65/260 A to C. The projected expenditure for the biennium 2010-2011 is estimated at $5,416.4 million, representing an increase of $49.2 million compared with the revised appropriation of $5,367.2 million. Projected income is estimated at $601.3 million, an increase of $8.3 million over the revised income estimates of $593.0 million. Details are provided in table 1 of the second performance report.

4. The net increase of $40.9 million reflects the combined effects of: (a) projected additional requirements of $139.7 million owing to changes in exchange rates ($103.7 million), changes in inflation rates ($11.9 million) and

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commitments entered into under the provisions of General Assembly resolution 64/246 on unforeseen and extraordinary expenses for the biennium 2010-2011 and in respect of policymaking organs ($24.1 million); and (b) reduced requirements of $98.8 million owing to variations in posts costs and adjustments to other objects of expenditure based on actual anticipated requirements ($90.5 million) and an increase in income ($8.3 million). Schedules 1 and 2 of the report of the Secretary-General provide a breakdown of the projected expenditures for 2010-2011 by budget section, category of expenditure and main determining factor (rate of exchange, inflation, unforeseen and extraordinary expenses and decisions of policymaking organs, post incumbency and other changes).

Changes in exchange rates and inflation

5. Explanations concerning the requirements relating to changes in exchange rates and inflation are provided in paragraphs 6 to 15 of the performance report. Table 5 of the performance report shows the distribution of the increases and decreases in estimates owing to changes in exchange rates and inflation by duty station. Details of the budgeted and realized rates of exchange for all duty stations are contained in schedules 4 and 5 of the report of the Secretary-General. The Advisory Committee notes that, in estimating the effect of exchange rate changes experienced in 2011, the exchange rates from January to October 2011 were used, with the October rate applied to November and December. The Committee also notes that, consistent with the approved methodology, calculations at the time of the revised appropriation for 2011 applied the October 2010 rates of exchange for Addis Ababa, Nairobi and Mexico City and the average rate for the rest of the duty stations, so as to allow for the lowest estimate for each duty station.

6. As indicated in paragraph 8 of the performance report, the significant increase arising from changes in exchange rates ($103.7 million) reflects the general weakening of the United States dollar during 2011 as compared with its position in 2010 and the assumptions made at the time of the revised appropriation, resulting in additional requirements at all duty stations except Nairobi, Addis Ababa, the United Nations Military Observer Group in India and Pakistan and Port of Spain, where the exchange rates moved in a favourable direction and partially offset the additional requirements elsewhere. The additional requirements resulting from changes with respect to the Swiss franc and the euro amount to $93.3 million and $5.3 million, respectively. A similar weakening of the exchange rate of the dollar to the Chilean peso, the Thai baht and the shekel resulted in requirements of $3.6 million, $3.6 million and $3.4 million, respectively.

7. As regards the Swiss franc in particular, which accounts for most of the increase in requirements in this category, the Advisory Committee notes that, whereas a rate of 1.046 Swiss francs to the dollar was assumed in the revised appropriations, the average rate calculated for 2011, based on actual experience through October with the October rate applied to November and December, was 0.885 Swiss francs to the dollar, representing a variance of 15.4 per cent (A/66/578, para. 8). Table 6 of the performance report shows the approved rates of the Swiss franc and the euro at the revised appropriation in the past decade, from 2000-2001 to 2010-2011.

8. Information on the impact of inflation is provided in paragraphs 13 to 15 of the performance report. As indicated, adjustments owing to inflation are based on the

latest information available on consumer price indices as well as adjustments resulting from differences in actual post adjustment indices for staff in the Professional category and higher and actual cost-of-living adjustments of salary scales for staff in the General Service and related categories compared with the assumptions made in the revised appropriations. A net increase of $11.9 million is projected, reflecting the combined effects of: (a) an increase of $12.9 million for non-post items across all duty stations, owing to upward adjustments mainly in New York ($6.1 million), Addis Ababa ($4.8 million) and Vienna ($0.6 million); and (b) a net reduction of $1 million under post-related expenditures resulting mainly from a downward adjustment in Geneva ($6.7 million), offset in part by higher requirements in New York ($5.4 million) (A/66/578, para 15; tabie 8).

9. The Advisory Committee requested the Secretary-General to elaborate on the mechanisms in place to protect the contributions received from Member States against inflation (see also paras. 26 to 34 below). It was informed that Member States' contributions denominated in United States dollars are immediately invested competitively in United States money markets, where they earn a market rate of interest. Short-term money market rates are set by the Federal Reserve Banks of the United States of America on the basis of its primary mandate to manage inflation and employment. The interest earned is recorded under income section 2, General income, and returned to Member States (A/66/578, para. 78).

Unforeseen and extraordinary expenses

10. Details concerning the additional requirements relating to commitments entered into in accordance with the provisions of General Assembly resolution 64/246 are provided in paragraphs 16 to 19 and table 9 of the performance report. The additional requirements amount to $13,168,600 and comprise commitments certified by the Secretary-General as relating to the maintenance of peace and security to cover expenditures incurred under section 3, Political affairs ($12,920,100); section 5, Peacekeeping operations ($188,800); and section 23, Human rights ($59,700).

11. The Advisory Committee notes from paragraphs 20 to 36 of the performance report that an amount of $10,934,900 reflecting decisions of policymaking organs is included in the performance report in connection with the integrated headquarters facility for the United Nations Assistance Mission for Iraq, in Baghdad ($579,000); development of the web-based follow-up system by the Joint Inspection Unit ($71,300); a subvention for the Special Court for Sierra Leone ($8,525,800); and the relocation of the Economic Commission for Latin America and the Caribbean subregional headquarters in Mexico City ($1,758,800). The Secretary-General has submitted a separate report on a subvention for the Special Court for Sierra Leone (A/66/563). The Committee's observations and recommendations are provided in its related report (A/66/7/Add.19). The Committee notes that the commitment authority ($12,416,300) granted to the Secretary-General by the General Assembly in its resolution 64/243 for requirements of the enterprise resource planning system is not expected to be utilized in 2010-2011 (see A/65/589; see also A/66/381 and A/66/7/Add.1).

12. The performance report also provides information on the results of the experiment for the utilization by the Secretary-General of the limited discretion for budgetary implementation of up to $20 million authorized under General Assembly

resolution 60/283 and extended in resolutions 64/243 and 64/260 (A/66/578, paras. 37-45). The Secretary-General has submitted a separate report on the implementation of the limited discretionary authority experiment (A/66/570) to the Assembly for consideration at its sixty-sixth session, and proposes to establish the mechanism with some modification. The Committee's observations and recommendations are contained in its related report (A/66/7/Add.18).

13. The Advisory Committee notes that, under this authority, a total amount of $8,906,600 has been utilized to address: (a) the extension of appointments of the ad litem judges for the United Nations Dispute Tribunal and their support staff for the period from 1 July 2010 to 30 June 2011 to clear the existing backlog of cases from the former system of administration of justice, pursuant to General Assembly decision 64/553 ($2,038,200); (b) strengthening of the Administrative Law Section of the Office of Human Resources Management for the period from 1 July 2010 to 30 June 2011 in order to address the backlog of cases referred to it from the United Nations Administrative Tribunal ($518,900); (c) strengthening of the Office of Legal Affairs for the period from July to December 2010 as a result of the increased workload related to the new system of administration of justice ($826,600); and (d) the reconstruction and renovation of the Economic Commission for Latin America and the Caribbean in Santiago, following the February 2010 earthquake ($5,522,900). The Secretary-General indicates that the above requirements were met through the utilization of potential underexpenditures identified under section 3, Political affairs, section 5, Peacekeeping operations, section 17, Economic and social development in Africa, section 21, Economic and social development in Western Asia, and section 34, Safety and security (A/66/578, para. 39). Table 10 of the Secretary-General's report provides details of the amounts redeployed by budget section.

14. The Advisory Committee notes that no recourse to the discretionary facility is expected in 2011. The Secretary-General indicates that the requirements for the continuation of temporary arrangements relating to the system of administration of justice were absorbed within the revised appropriation for sections 1, Overall policymaking, direction and coordination; 8, Legal affairs; and 28 C, Office of Human Resources Management (A/66/578, paras. 41-42; see also A/65/373 and A/65/557).

Post incumbency and other changes

15. An underexpenditure of $90,464,000 relating to post incumbency and other changes is projected for the 2010-2011 biennium, reflecting: (a) the difference between realized vacancy rates and those assumed in the revised appropriations; (b) differences between actual average salary and common staff costs compared with the standard salary costs included in the revised appropriations; and (c) adjustments to objects of expenditure other than posts, based on actual and anticipated requirements to the end of the biennium. The net decrease of $90,464,000 reflects reduced requirements of $11.2 million for post-related objects of expenditure and $79.3 million for non-post objects of expenditure. Details are provided in paragraphs 46 to 74 of the performance report.

Adjustments to post-related charges

16. Explanations of the adjustments to post-related charges are provided in paragraphs 48 to 55 of the performance report. The net decrease of $11.2 million under posts reflects decreased requirements under common staff costs ($45.5 million), partially offset by increased requirements under salaries ($34.3 million). The budgeted rates for common staff costs (including dependency, hardship and mobility allowances, education grant and evacuation travel) were higher than the effective rates experienced across various duty stations during the first 21 months of the biennium, resulting in lower-than-expected expenditures in New York ($28.6 million), Geneva ($5.5 million), Beirut ($2.1 million) and Bangkok ($1.5 million).

17. The increased requirements for salaries reflect lower-than-budgeted vacancy rates for both Professional and General Service posts. The effective combined budgeted vacancy rates for new and continuing posts for 2010-2011 amounted to 10.3 per cent for Professional and 4.9 per cent for General Service posts, taking into account the budgeted vacancy rates of 9.6 per cent and 4.0 per cent for continuing posts and 50 per cent and 35 per cent for new posts, respectively, for Professional and General Service posts. The average actual vacancy rates realized as at 30 September 2011 for staff in the Professional category were 8.1 per cent and 6.2 per cent for 2010 and 2011, respectively. For staff in the General Service category the average vacancy rates were 4.1 per cent and 4.7 per cent for 2010 and 2011, respectively (see A/66/578, schedule 8). The Advisory Committee was provided with a table showing average vacancy rates for regular budget posts by section and year for the period from 2008 to 2011, which is attached as annex I below. Upon enquiry, the Committee was also provided with a list of regular budget posts by section which were vacant as at 31 October 2011, as well as a list of the posts that had been vacant for over 12 months, which are provided in annexes II and III to the present report.

18. From the additional information provided (see annex I to the present report), the Advisory Committee notes that the cumulative average vacancy rate under the 34 sections of the programme budget was 6.1 and 4.6 per cent for Professional and General Service staff, respectively, as at 31 October 2011. The average vacancy rates as at the same date show some improvement in most budget sections. **The Committee remains concerned, however, that some sections continue to show significantly higher vacancy rates (A/66/578, paras. 53 and 54). For example, as at 31 October 2011, the average vacancy rate for Professional staff was 19.1 per cent under section 17, Economic and social development in Africa; 14.0 per cent under section 5, Peacekeeping operations; 13.4 per cent under section 30, Internal oversight; and 12.0 per cent under section 18, Economic and social development in Asia and the Pacific. The Committee expects that all efforts are being undertaken to address this issue.**

19. From the additional information provided (see annex III below), the Advisory Committee notes that a total of 12 posts have been vacant for more than one year, including 3 for more than one year and 9 for more than two years. The 12 posts include 2 that are proposed for abolition and 4 that are proposed for conversion in the proposed programme budget for 2012-2013; 2 posts are under recruitment; 1 vacancy announcement was cancelled; the incumbent of 1 post is on assignment; and the incumbent of another post has been on special leave without pay since 2009. **The Committee reiterates the view expressed in its first report on the proposed**

programme budget for the biennium 2012-2013 that the continued need for posts that have been vacant for two years or longer should be rejustified in the context of the proposed programme budget, together with an explanation for the vacancy (A/66/7, paras. 92-93). The Committee expects the Secretary-General to continue to monitor the status of posts that remain vacant over extended periods of time and to take prompt action either to fill those posts or to propose their abolition.

Travel-related charges

20. The Advisory Committee notes that the projected requirements for travel of staff amount to $87,244,000, reflecting an increase of $5,476,600 over the revised appropriation of $80,292,100 (see A/66/578, schedule 2). As indicated in paragraph 63 of the performance report, additional requirements would arise under section 2, General Assembly and Economic and Social Council affairs and conference management ($0.3 million); section 9, Economic and social affairs ($1.1 million); section 23, Human rights ($1.7 million); section 27, Public information ($0.3 million); section 29, Office of Information and Communications Technology ($0.3 million); and section 34, Safety and security ($1.8 million). The increase is also due to increases in the daily subsistence allowance rates for official travel. Table 11 of the Secretary-General's report provides a comparison, by duty station, of the daily subsistence allowance rate for the first month of the biennium, January 2010, and the latest month, November 2011, as determined by the International Civil Service Commission.

21. **The Advisory Committee remains concerned by the cost overruns under this category of expenditure and remains convinced that considerable opportunities exist for reducing travel-related costs.** In its first report on the proposed programme budget for 2010-2011, the Committee commented on the need for continued efforts to further reduce travel and implement cost-saving measures (A/66/7, paras. 104-105). The Committee reiterated its expectation that efforts would continue to reduce travel through the utilization of videoconferencing and other electronic means wherever feasible, as well as the use of staff assigned at duty stations in order to minimize travel of staff accompanying senior officers. The Committee also noted the actions taken or proposed during the biennium to address the factors driving travel requirements and costs, including, for example, the requirement that economy class be used for all travel undertaken with regular budget training funds irrespective of the duration of the travel and the requirement for advance planning of trips to benefit from advantageous rates. In this connection, the Committee was informed that the Secretary-General was in the process of revising the relevant administrative instruction pertaining to travel. **The Committee expects the Secretary-General to put into place more stringent measures to contain travel and reduce travel-related expenditures. It recommends that the Secretary-General be requested to comprehensively report on the savings realized in the context of his first performance report on the programme budget for the biennium 2012-2013.**

Unliquidated obligations

22. In paragraph 75 of the performance report, the Secretary-General indicates that unliquidated obligations as at the end of October 2011 amounted to $299.6 million. With three months remaining until the end of the biennium, the amount reported is

subject to change. The Advisory Committee points out that the final level of unliquidated obligations will only be reported after closure of the accounts for the financial period and the audit of the financial statements by the auditors (see A/64/574, para. 23). Furthermore, with the adoption of the International Public Sector Accounting Standards (IPSAS), expenditures will be recognized upon delivery of goods and services rather than on the basis of obligations, leading to new procedures for managing resources (see A/66/536, para. 22). **The Committee recommends that the Secretary-General be requested to provide, in the context of the first performance report on the proposed programme budget for the biennium 2012-2013, an analysis of historical trends of unliquidated obligations over the past three bienniums. In preparation for the transition to IPSAS, the Committee considers that the performance reports on the programme budget should provide a more meaningful analysis of the trends and final level of unliquidated obligations, as well as of the factors that prevented disbursement of obligations in the financial period during which the corresponding expenditures were incurred.**

Income sections

23. Information on income sections (1, Income from staff assessment; 2, General income; and 3, Services to the public) is provided in paragraphs 76 to 81 of the performance report. Table 12 provides a summary of changes under the income sections. As indicated, the total increase under income sections amounts to $8.3 million, reflecting a decrease in staff assessment income ($5.6 million), offset by increases under general income ($10.2 million) and services to the public ($3.7 million). The net increase in revenue under income section 3, Services to the public, is the result of a net decrease in total revenues ($1,605,000), which was more than fully offset by a net decrease in total expenditures ($5,319,900). The Advisory Committee notes from paragraph 80 of the performance report that a decrease of $2,645,300 under postal administration services was principally due to the impact of the capital master plan project on sales at Headquarters. **With regard to income section 3, Services to the public, the Committee believes that the visitors' experience remains an important outreach activity, which also provides an opportunity for visitors to the Headquarters complex to learn about the United Nations and for promoting the image of the Organization.**

Compensation arising from the judgements of the administrative tribunals

24. In paragraph 82 of his report, the Secretary-General states that in accordance with General Assembly resolution 52/220, the final estimates of the anticipated level of expenditure for the biennium 2010-2011 include expenditures (totalling $1,370,000) related to compensation paid to staff as a result of judgements of the tribunals of the United Nations system of administration of justice. The Committee was informed that these expenditures related to the judgements of the former United Nations Administrative Tribunal under the previous internal justice system, those of the current administrative tribunals (United Nations Dispute Tribunal and United Nations Appeals Tribunal) and the decisions of the Management Evaluation Unit. The Committee was further informed that the compensation was charged against common staff costs.

25. Upon enquiry as to the basis for this procedure, the Advisory Committee was informed that historically, no specific provisions had been made for such payments.

Given that such payments were staff-related, it had been determined that it would be appropriate to charge such payments under the common staff costs category of expenditure. A separate object of expenditure had been established under that category for tracking such payments. In paragraph 91 of its resolution 52/220 of 22 December 1997, the General Assembly requested the Secretary-General to reflect in the budget performance report expenditures related to compensation paid to staff as a result of judgements of the former United Nations Administrative Tribunal. Accordingly, the second performance report on the programme budget for a given biennium had always included a section entitled "Compensation arising from judgements of the United Nations Administrative Tribunal", which provided information on expenditures related to compensation paid to staff as a result of judgements of the United Nations Administrative Tribunal and, more recently, the United Nations Dispute Tribunal and the United Nations Appeals Tribunal. The Committee's comments on the monetary compensation awarded by the Tribunals are contained in its report on the system of administration of justice (A/66/7/Add.6, para. 89).

II. Options for protecting the United Nations against fluctuations in exchange rate and inflation

26. The Advisory Committee recalls that in paragraph 52 of its resolution 64/243, the General Assembly requested the Secretary-General, in the context of the first performance report, to report on options for protecting the United Nations against fluctuations in exchange rates and inflation, drawing on the experience of other organizations of the United Nations system. Information on the options for protecting the United Nations against fluctuations in exchange rate and inflation is provided in paragraphs 83 to 103 of the performance report. The Committee was also provided with supplementary information detailing a chronology of events on proposals submitted to and actions taken by the Assembly on the issue of a comprehensive solution to the subject of additional expenditures arising from inflation and currency fluctuations (see annex IV below).

27. In the first performance report on the programme budget for the biennium 2010-2011, the Secretary-General had provided an overview of the various measures used to mitigate the impact of currency fluctuations, based on the responses of 8 of the 15 organizations contacted through a questionnaire (A/65/589, paras. 53-76 and annex V). Following its consideration of that report, the Advisory Committee urged the Secretary-General to follow up with the remaining organizations that had not yet responded so as to be able to draw from the experiences of as many entities as possible. It noted that the exercise had thus far merely entailed the gathering of information on the practices of some United Nations entities concerning adjustments for inflation and foreign exchange rate fluctuations, with no analysis and conclusions drawn. The Committee further noted the intention of the Secretary-General to report more extensively on the matter in the context either of the second performance report for the biennium 2010-2011 or of the proposed programme budget for the biennium 2012-2013 (see A/65/604, para. 15).

28. The Secretary-General provides in the annex to the second performance report a compilation of responses received from the seven remaining organizations contacted (International Labour Organization, International Maritime Organization,

International Fund for Agricultural Development, United Nations Children's Fund, United Nations Industrial Development Organization, World Food Programme and Joint United Nations Programme on HIV/AIDS). In paragraphs 89-103 of that report, he also provides information on the results of a study undertaken by the Secretariat in consultation with two global banks to ascertain the impact of foreign currency fluctuations on the programme budget and on the feasibility of a hedging programme to reduce the currency risks. Based on the actual amount of currency transacted during the biennium 2008-2009, the Secretary-General states that the study determined that the Organization's currency exposure was concentrated in two currencies: the Swiss franc and the euro, representing, respectively, 50 and 23 per cent of the actual total currency exposure and 63 and 26 per cent of the cash flow at risk. Furthermore, there was a very active and liquid forward currency market for those currencies which would facilitate a hedging programme. It is also indicated that the study recommended a currency hedging programme concentrated only on those currencies that represent the most risk to the budget, that is, the Swiss franc and the euro.

29. In his current report, the Secretary-General also provides explanations on financial instruments and strategies that may be employed for hedging currency risk: (a) currency forward contracts, which consist of an agreement to exchange currencies on a certain date in the future at a rate agreed upon today, and for which there is no fee; and (b) currency options, which provide a right, but not the obligation, to purchase a currency at a date in the future, which comes with a transaction cost. He further indicates that, owing to current market conditions, the cost of purchasing Swiss francs today is lower than the cost of purchasing Swiss francs for future delivery, whereas the reverse is true for the euro. In addition, the Secretary-General points out that there are opportunity costs associated with a hedging programme: in protecting against unfavourable trends in the United States dollar exchange rate, the Organization would lose the flexibility to gain from opposite trends. As indicated, the hedging programme would not ensure savings, but only provide certainty as to the exchange rate that would be applied in the future.

30. Upon enquiry, the Advisory Committee was provided with additional information updating the Secretary-General's recommendation on the hedging programme in light of recent developments in the euro market. The Secretary-General indicated that, should the General Assembly decide to use this option, he was now recommending a hedging programme based on the currency forward mechanism to cover 75 per cent of predictable expenditures in Swiss francs for the first year of the biennium (2012), and 50 per cent of predictable expenditures in Swiss francs for the second year of the biennium (2013). The programme would cover approximately $500 million or 40 per cent of projected requirements for Swiss francs in the proposed programme budget for 2012-2013, corresponding to 7.7 per cent of the overall proposed programme budget for the biennium 2012-2013. The Secretary-General further indicated that a programme for hedging currency exposure to the euro was not recommended at this time.

31. **The Advisory Committee appreciates the explanations provided by the Secretary-General on the implications and mechanisms of establishing a hedging programme which, in its view, provide a good understanding of what this option entails. However, the Secretary-General does not elaborate on the administrative costs or risks associated with a currency hedging programme, as referred to in paragraph 99 of the performance report. The Committee notes**

the Secretary-General's statement that a hedging programme would need a robust risk management and accounting system, requiring resources that have yet to be determined. Therefore, the Committee considers that the Secretary-General's report does not provide sufficient information that would allow the General Assembly to make an informed decision on the option for establishing a currency hedging programme.

32. **Furthermore, the Advisory Committee also notes that such a programme would address only one aspect of the recosting methodology which captures, in addition to currency fluctuations, inflation and changes in budget expenditures. In addition, the report offers only one option, a hedging programme, for covering the exposure of the Organization to fluctuations in two currencies, the Swiss franc and the euro. The Committee is of the view that the Secretary-General has not responded comprehensively to the request of the General Assembly in paragraph 52 of its resolution 64/243.**

33. **Accordingly, the Advisory Committee recommends that the Secretary-General should be requested to explore and thoroughly analyse additional options for addressing the different aspects of the recosting methodology currently applied, including the practice of recosting the programme budget four times in the biennial budget cycle. In so doing, the Secretary-General should continue to take into account the practices of other entities of the United Nations system and their possible applicability to the United Nations. The Committee recommends that the General Assembly request the Secretary-General to report comprehensively on alternative options for the recosting methodology and to include an analysis of the risks and resource requirements of each option. In order to facilitate the analysis of this issue, the Committee considers that the Secretary-General should submit such a report separately from the performance report, for consideration by the Assembly no later than at the main part of its sixty-seventh session.**

34. The action to be taken by the General Assembly is set out in paragraph 104 of the Secretary-General's report. **The Advisory Committee recommends that the General Assembly take note of the Secretary-General's report, including the information provided on options for protecting the United Nations against fluctuations in exchange rates and inflation, subject to the submission of a report as requested in paragraph 33 above. The Committee further recommends that the Assembly approve the revised estimates under the expenditure sections for the biennium 2010-2011 as set out in paragraph 5 of the performance report and the related income estimates as set out in paragraph 76 of that report.**

Annex I

Average vacancy rates, by budget section, 2008-2011

Budget section	2008		2009		2010		2011	
	Professional	General Service	Professional	General Service	Professional	General Service	Professional	General Service
1. Overall policymaking, direction and coordination	16.4	10.8	16.2	10.0	9.2	4.5	4.4	3.9
2. General Assembly and Economic and Social Council affairs and conference management	8.5	2.3	6.7	3.5	6.1	3.3	5.3	5.5
3. Political affairs	6.4	6.7	15.1	4.5	9.1	7.5	5.3	5.2
4. Disarmament	0.9	1.2	2.0	3.6	7.1	–	3.4	—
5. Peacekeeping operations	13.1	7.9	16.3	9.9	13.1	11.5	14.0	13.8
6. Peaceful uses of outer space	16.2	—	5.7	—	—	—	—	—
7. International Court of Justice	13.0	2.3	8.3	0.9	13.8	3.5	1.7	2.5
8. Legal affairs	4.0	1.1	2.5	1.0	4.0	3.1	4.0	2.0
9. Economic and social affairs	6.2	4.6	7.9	6.9	10.4	4.6	5.6	4.7
10. Least developed countries, landlocked developing countries and small island developing States	14.4	14.6	27.0	2.1	17.8	—	17.1	—
11. United Nations support for the New Partnership for Africa's Development	27.7	23.5	36.5	4.2	26.0	2.5	20.4	1.0
12. Trade and development	1.1	3.6	4.3	2.3	3.0	2.3	3.3	2.2
14. Environment	—	3.0	—	—	0.8	—	0.6	—
15. Human settlements	3.7	—	0.5	—	0.7	—	—	—
16. International drug control, crime and terrorism prevention and criminal justice	—	—	0.1	—	0.8	—	0.2	—
17. Economic and social development in Africa	16.2	0.2	20.6	3.0	21.0	12.7	19.1	12.7
18. Economic and social development in Asia and the Pacific	6.5	2.6	12.7	3.5	12.1	5.1	12.0	2.4
19. Economic development in Europe	3.3	4.0	7.2	4.1	6.9	1.8	6.2	2.3
20. Economic and social development in Latin America and the Caribbean	4.4	1.5	10.0	3.2	6.5	1.1	4.9	1.3
21. Economic and social development in Western Asia	19.2	4.1	23.9	3.1	18.2	0.8	10.4	1.2
23. Human rights	13.6	2.9	12.3	5.8	8.5	1.8	5.5	2.3
24. International protection, durable solutions and assistance to refugees	—	—	12.5	—	—	—	—	—
25. Palestine refugees	10.9	6.8	6.8	8.3	4.3	7.6	0.9	3.6
26. Humanitarian assistance	2.1	—	1.7	—	2.2	—	2.1	—
27. Public information	4.5	3.3	5.0	3.7	4.7	4.5	3.4	4.5
28. Management and support services	8.3	2.9	3.4	2.1	2.2	0.4	2.9	1.4
29. Office of Information and Communications Technology	—	—	14.8	9.7	10.5	1.8	5.1	2.5
30. Internal oversight	12.5	7.9	8.2	2.3	20.8	8.3	13.4	7.0
34. Safety and security	8.6	2.6	10.7	13.3	19.2	4.4	11.9	4.1
37. UN-Women	—	—	—	—	—	—	20.7	36.0
Total	**8.2**	**3.2**	**9.1**	**3.8**	**8.1**	**4.1**	**6.1**	**4.6**

Annex II

Vacant posts authorized under the regular budget as at 31 October 2011

	Section	*Vacant posts*	*Professional*	*General Service*	*Number of vacancies and level*
1.	Overall policymaking, direction and coordination	8	4	4	1 D-1, 3 P-5, 1 GS (PL), 3 GS (OL)
2.	General Assembly and Economic and Social Council affairs and conference management	133	68	65	1 D-2, 6 P-5, 22 P-4, 34 P-3, 5 P-2/1, 3 GS (PL), 50 GS (OL), 12 TC
3.	Political affairs	11	9	2	1 P-5, 4 P-4, 3 P-3, 1 P-2/1, 1 GS (OL), 1 SS
4.	Disarmament	1	1	—	1 P-2/1
5.	Peacekeeping operations	35	4	31	1 D-2, 1 P-3, 2 P-2/1, 16 LL, 15 FS
7.	International Court of Justice	3	1	2	1 P-4, 2 GS (OL)
8.	Legal affairs	6	3	3	2 P-3, 1 P-2/1, 1 GS (PL), 2 GS (OL)
9.	Economic and social affairs	26	10	16	3 D-1, 2 P-4, 3 P-3, 2 P-2/1, 2 GS (PL), 14 GS (OL)
10.	Least developed countries, landlocked developing countries and small island developing States	3	3	—	1 D-2, 1 P-3, 1 P-2/1
11.	United Nations support for the New Partnership for Africa's Development	5	5	—	1 USG, 1 P-5, 1 P-4, 2 P-3
12.	Trade and development	15	11	4	2 D-1, 5 P-5, 3 P-4, 1 P-3, 1 GS (PL), 3 GS (OL)
17.	Economic and social development in Africa	61	35	26	1 D-1, 9 P-5, 11 P-4, 10 P-3, 4 P-2/1, 22 LL, 1 FS, 3 NPO
18.	Economic and social development in Asia and the Pacific	27	18	9	1 D-1, 2 P-5, 3 P-4, 7 P-3, 5 P-2/1, 9 LL
19.	Economic development in Europe	8	6	2	1 P-5, 3 P-4, 1 P-3, 1 P-2/1, 1 GS (PL), 1 GS (OL)
20.	Economic and social development in Latin America and the Caribbean	13	10	3	2 D-1, 3 P-4, 2 P-3, 3 P-2/1, 3 LL
21.	Economic and social development in Western Asia	8	8	—	2 P-5, 3 P-4, 2 P-3, 1 P-2/1
23.	Human rights	10	9	1	2 P-5, 3 P-4, 3 P-3, 1 P-2/1, 1 GS (OL)
25.	Palestine refugees	3	2	1	2 P-4, 1 GS (OL)
26.	Humanitarian assistance	1	1	—	1 P-2/1
27.	Public information	21	7	14	3 P-5, 3 P-4, 1 P-3, 11 LL, 3 NPO
28.	Management and support services	30	7	23	1 D-2, 1 P-4, 1 P-3, 4 P-2/1, 1 GS (PL), 16 GS (OL), 6 TC
29.	Office of Information and Communications Technology	2	2	—	1 P-4, 1 P-2/1
30.	Internal oversight	9	7	2	1 P-5, 4 P-4, 1 P-3, 1 P-2/1, 1 GS (PL), 1 GS (OL)
34.	Safety and security	40	8	32	2 P-5, 3 P-4, 2 P-3, 1 P-2/1, 3 GS (OL), 18 SS, 11 LL
37.	UN-Women	5		5	5 GS (OL)
	Subtotal	**484**	**239**	**245**	**1 USG, 4 D-2, 10 D-1, 38 P-5, 73 P-4, 77 P-3, 36 P-2/1, 11 GS (PL), 103 GS (OL), 18 TC, 19 SS, 72 LL, 16 FS, 6 NPO**
Income section 3					
	Services to the public	14	2	12	1 P-4, 1 P-2/1, 12 GS (OL)
	Total	**498**	**241**	**257**	**1 USG, 4 D-2, 10 D-1, 38 P-5, 74 P-4, 77 P-3, 37 P-2/1, 11 GS (PL), 115 GS (OL), 18 TC, 19 SS, 72 LL, 16 FS, 6 NPO**

Abbreviations: FS, Field Service; GS, General Service; LL, Local level; NPO, National Professional Officer; OL, Other level; PL, Principal level; SS, Security Service; TC, Trades and Crafts; USG, Under-Secretary-General.

Annex III

Posts authorized under the regular budget that have been vacant for one year or longer

Section	*Level*	*Status*
2. General Assembly and Economic and Social Council affairs and conference management	2 TC[a]	Proposed for abolition for the biennium 2012-2013
5. Peacekeeping operations: United Nations Truce Supervision Organization	4 FS[b]	Proposed for conversion from FS to NPO as reflected in the proposed programme budget for 2012-2013 Recruitment pending decision from the General Assembly on proposed conversion
	1 FS[b]	The post is under recruitment and will be filled shortly
11. United Nations support for the New Partnership for Africa's Development: Office of the Special Adviser for Africa	1 USG[b]	Post vacant as of 1 May 2007
17. Economic and social development in Africa	1 P-4[b]	The incumbent of the post has been on special leave without pay since 2009
	1 NPO[b]	Candidate was selected, but subsequently declined. There were no other recommended candidates. The post has been re-advertised and recruitment is expected to be finalized by 31 December 2011
21. Economic and social development in Western Asia	1 P-4[b]	Post has been vacant since 1 October 2009. The post was advertised but the vacancy announcement was subsequently cancelled due to lack of suitably qualified candidates
30. Office of Internal Oversight Services	1 GS (OL)[a]	The incumbent on the post is on assignment

Abbreviations: FS, Field Service; GS, General Service; NPO, National Professional Officer; OL, Other level; TC, Trades and Crafts; USG, Under-Secretary-General.

[a] Vacant for one year.

[b] Vacant for two years.

Annex IV

Chronology of events on proposals submitted to and actions taken by the General Assembly on the issue of a comprehensive solution to the subject of additional expenditures arising from inflation and currency fluctuations

	General Assembly		*Secretary-General's report*		*Advisory Committee on Administrative and Budgetary Questions*		*Board of Auditors*	
Year	*Resolution or decision*	*Request*	*Symbol*	*Report title*	*Symbol*	*Report title*	*Symbol*	*Report title*
1970s		The Working Group, composed of 13 Member States designated by the President of the General Assembly, was mandated to consider alternative solutions to difficulties resulting from the effect of continuing currency instability and inflation on the budgets of the United Nations system. The Assembly reviewed the alternatives outlined in the report of the Working Group (A/9773) and noted that it had found no generally agreed alternatives to the policies already utilized.						
1986	41/213 (annex I, para. 10)	A comprehensive solution to the problem of all additional expenditures, including those deriving from inflation and currency fluctuation, is also necessary. It is desirable to accommodate these expenditures, within the overall level of the budget, either as a reserve or as a separate part of the contingency fund set up in paragraph 8 of annex I. The Secretary-General should examine all aspects related to the question and report, through the Advisory Committee on Administrative and Budgetary Questions and the Committee for Programme and Coordination, to the General Assembly at its forty-second session.	A/42/225 and Add.1	**Review of the efficiency of the administrative and financial functioning of the United Nations.** Questions relating to the programme budget: inflation and currency fluctuation, and the level of the contingency fund	A/42/7	First report on the proposed programme budget for the biennium 1988-1989.		

	General Assembly		Secretary-General's report		Advisory Committee on Administrative and Budgetary Questions		Board of Auditors	
Year	*Resolution or decision*	*Request*	*Symbol*	*Report title*	*Symbol*	*Report title*	*Symbol*	*Report title*
1988					A/43/929	**Review of the efficiency of the administrative and financial functioning of the United Nations.** Proposed programme budget outline for the biennium 1990-1991. Questions related to the programme budget: use and operation of contingency fund.		
1988	43/214 (para. 10)	Agreed to the concept of a reserve, requested the Secretary-General to formulate a set of procedures for the operation of the reserve to be submitted through the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its forty-fourth session, and agreed to address further at that time the question of setting up such a reserve for the biennium 1990-1991.	A/44/665	**Review of the efficiency of the administrative and financial functioning of the United Nations.** Establishment and operation of a reserve fund.	A/44/729	**Review of the efficiency of the administrative and financial functioning of the United Nations.** Establishment and operation of a reserve fund.		
1989	44/200 B (para. 5)	Decided, given the shortcomings of the present system, to keep under review the question of a comprehensive solution to the problem of all additional expenditures, including those deriving from inflation and currency fluctuation, and to consider it again at its forty-sixth session.						
1992	47/212 (sect. III, para. 1)	Endorsed the proposed new budget format and the related conclusions and recommendations of the Committee for Programme and Coordination and the Advisory Committee on Administrative and Budgetary Questions, and invited the Secretary-General to continue						

Year	General Assembly: Resolution or decision	General Assembly: Request	Secretary-General's report: Symbol	Secretary-General's report: Report title	Advisory Committee on Administrative and Budgetary Questions: Symbol	Advisory Committee on Administrative and Budgetary Questions: Report title	Board of Auditors: Symbol	Board of Auditors: Report title
		improving the presentation of the programme budget, notably in terms of facilitating a comparison of appropriations and actual level of expenditure by object.						
1996					A/51/7/Add.6 (para. 5)	Programme budget for the biennium 1996-1997. First performance report.		
1996	51/220 (para. 10)	Requested the Secretary-General to prepare a comprehensive policy paper which would examine all issues related to the question of all additional expenditures referred to in paragraphs 10 and 11 of annex I to General Assembly resolution 41/213, including those relating to the maintenance of peace and security, inflation and currency fluctuation, and to submit that report to the Assembly, through the Advisory Committee on Administrative and Budgetary Questions, no later than 31 May 1997 with a view to finding a comprehensive solution to such questions.	A/C.5/51/57	Programme budget for the biennium 1996-1997.	A/52/7/Add.2	Third report on the programme budget for the biennium 1996-1997.		
1999	Decision 54/481	Took note of the report of the Secretary-General (A/C.5/51/57) concerning additional expenditures referred to in paragraphs 10 and 11 of annex I to General Assembly resolution 41/213 of 19 December 1986 and of the relevant report of the Advisory Committee on Administrative and Budgetary Questions (A/52/7/Add.2) and requested the Secretary-General to keep the Assembly informed on issues pertaining to inflation and currency fluctuation in the context of the budget performance reports.						

	General Assembly		Secretary-General's report		Advisory Committee on Administrative and Budgetary Questions		Board of Auditors	
Year	*Resolution or decision*	*Request*	*Symbol*	*Report title*	*Symbol*	*Report title*	*Symbol*	*Report title*
2001	56/253 (para. 44)	Requested the Secretary-General to submit to the General Assembly at its fifty-seventh session an updated study on a comprehensive solution to the problem of additional expenditures deriving from inflation and currency fluctuations, taking into account its resolution 41/213.	A/57/471	Additional expenditures deriving from inflation and currency fluctuations.	A/57/7/Add.14 (sect. IV)	Additional expenditures deriving from inflation and currency fluctuations.		
2002	Decision 57/576	Took note of the report of the Secretary-General (A/57/471) and the related report of ACABQ (A/57/7/Add.14) and decided to continue consideration of that question at the main part of its fifty-eighth session in the context of the proposed programme budget for the biennium 2004-2005, and requested the Secretary-General to submit a report providing a comparative analysis of the practice followed by other international organizations in that regard for consideration at the main part of its fifty-eighth session.	A/58/400	Additional expenditures deriving from inflation and currency fluctuations.	A/58/7/Add.5 (sect. IV)	Additional expenditures deriving from inflation and currency fluctuations.		
2003	58/270 (para. 11)	Requested the Board of Auditors, in consultation with the Secretary-General, to examine the recosting methodology and to report thereon to the General Assembly at its fifty-ninth session, including proposing the most appropriate mechanism for managing the currency aspects of the recosting methodology.					A/59/5, vol. I (chap. II, para. 175)	Financial reports and audited financial statements for the biennium ended 31 December 2003 and Report of the Board of Auditors.
2006			A/60/6 (Introduction)	Proposed programme budget for the biennium 2006-2007: foreword and introduction.	A/60/7 (chap. I, paras. 100-101)	Advisory Committee on Administrative and Budgetary Questions: first report on the proposed programme budget for the biennium 2006-2007.		

	General Assembly		Secretary-General's report		Advisory Committee on Administrative and Budgetary Questions		Board of Auditors	
Year	*Resolution or decision*	*Request*	*Symbol*	*Report title*	*Symbol*	*Report title*	*Symbol*	*Report title*
2006	Sixtieth session	No decision was taken by the General Assembly at the main part of its sixtieth session.						
2006			A/60/692 and Corr.1 and 2 (proposal 17)	Investing in the United Nations: for a stronger Organization worldwide.	A/60/735 and Corr.1	Investing in the United Nations: for a stronger Organization worldwide.		
2006			A/60/846/Add.3	Investing in the United Nations for a stronger Organization worldwide: detailed report.	A/60/870	Investing in the United Nations: for a stronger Organization worldwide: detailed report.		
2006	60/283 (part VII, para. 1)	Decided to defer consideration of the following proposal contained in the addendum on financial management practices (A/60/846/Add.3): establishment of a reserve fund (paragraphs 112 (p) and (q)) — within the context of the programme budget for the biennium 2008-2009.						
2008					A/63/620	First performance report on the programme budget for the biennium 2008-2009 (annex IV on information on adjustments in the level of appropriations: recosting methodology).		

	General Assembly		Secretary-General's report		Advisory Committee on Administrative and Budgetary Questions		Board of Auditors	
Year	*Resolution or decision*	*Request*	*Symbol*	*Report title*	*Symbol*	*Report title*	*Symbol*	*Report title*
2008	63/263 (sect. XII, para. 4)	Endorsed paragraph 11 of the report of the Advisory Committee on Administrative and Budgetary Questions (A/63/620) and requested the Secretary-General to explore the recosting methodologies used by other international organizations with that used by the Secretariat, taking into account the unique nature of the United Nations, and to report thereon to the General Assembly in the context of the second performance report on the programme budget for the biennium 2008-2009.	A/64/545	Second performance report on the programme budget for the biennium 2008-2009.				
2009	64/243 (para. 52)	Requested the Secretary-General, in the context of the first performance report, to report on options for protecting the United Nations against fluctuations in exchange rates and inflation, drawing on the experience of other organizations of the United Nations system, as set out in section V of the second performance report of the Secretary-General on the programme budget for the biennium 2008-2009 (A/64/545).	A/65/589	First performance report on the programme budget for the biennium 2010-2011.	A/65/604	First performance report on the programme budget for the biennium 2010-2011.		
2010	65/259 (sect. XVIII, para. 3	Endorsed the observations and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions (A/65/604), subject to the provisions of the present resolution.	A/66/578	Second performance report on the programme budget for 2010-2011.				